

January 8, 2003

MEMORANDUM

TO: Deputy Ethics Counselors  
Ethics Contacts

FROM: Edgar M. Swindell  
Associate General Counsel for Ethics  
Designated Agency Ethics Official

SUBJECT: 2003 Rates of Basic Pay

Attached are copies of the 2003 official pay charts containing the rates of basic pay for the General Schedule, the Senior Executive Service (SES), and the Executive Schedule, that were authorized by Executive Order 13282 of December 31, 2002. 68 Fed. Reg. 1133 (January 8, 2003). **These charts do not reflect locality-based adjustments.** Basic pay figures are used to establish the SF 278 filing threshold, determine senior status for the post-employment restrictions, and calculate the revised annual cap on outside earned income for non-career SES employees. (Pay charts that reflect locality-based adjustments can be obtained at the OPM website at <http://opm.gov/oca/payrates>.)

**SF 278s.** Most "public financial disclosure report filers" are identified by employment status (for example, PAS, SES, Schedule Cs, ALJs, and O-7s), while others are determined by pay amount. Specifically, employees in a pay system **other than the General Schedule** (for example, SLs, STs, and other special categories), whose rate of basic pay is fixed at a rate equal to or greater than 120% of the minimum rate of basic pay for GS-15, must also file public financial disclosure reports. 5 C.F.R. § 2634.202(c). Based on the current GS 15/Step 1 figure of \$85,140, this calculation generates a pay threshold, for these non-General Schedule employees, for this calendar year of **\$102,168**.

For special Government employees (SGEs), according to the Office of Government Ethics informal opinion 81 X 22, the annual figure must be translated into daily or hourly terms, depending upon how the SGEs are paid, to determine if they are covered upon serving 60 days.

According to 5 U.S.C. § 5504(b), conversion of an annual salary figure is calculated as follows:

- (1) To derive an hourly rate, divide the annual rate by 2,087.
- (2) To derive a daily rate, multiply the hourly rate by 8.

For 2003, the following figures are applicable for SF 278 pay amount filing purposes:

<b>ANNUAL RATE</b>	<b>\$102,168.00</b>
<b>HOURLY RATE</b>	<b>\$ 48.95</b>
<b>DAILY RATE</b>	<b>\$ 391.60</b>

***Senior Employees.*** "Senior employee" status for purposes of the post-employment provisions in 18 U.S.C. § 207(c) is now set (for the SES and employee categories **not** specifically enumerated in the statute) at the rate of basic pay amount for level ES-5 in the Senior Executive Service, **\$134,000**. For SGEs who serve 60 days or more in the year immediately preceding their termination from government service, the one-year "cooling-off period" would be triggered by an equivalent hourly pay rate of **\$64.21**, or a daily rate of **\$513.68**.

***Outside Earned Income Limitation.*** A covered non-career employee (basically, political SES) may not, in any calendar year, receive outside earned income attributable to that calendar year which exceeds 15% of the annual rate of basic pay for Level II of the Executive Schedule as in effect on January 1 of such calendar year. 5 C.F.R. § 2636.304. Level II for this year is **\$154,700**, which yields an annual cap of **\$23,205**. Remember that the cap is prorated downward for new employees who serve a partial year.

If you have any questions, please call the Ethics Division at (202) 690-7258.

Attachment

cc: Deputy General Counsels  
Associate General Counsels  
Chief Counsels, Regions I-X

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Prepared by: OGC/ETHICS:ems:decpay03mem.wpd: 1/8/03  
Subject Matter: Public Financial Disclosure Reports (SF 278);  
Section 207:Post Employment;  
Outside Activities